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UNITED ACCUMULATIVE FUND LTD.



10th Annual Report

FOR THE YEAR ENDED SEPTEMBER 30, 1967

10 YEARS OF SERVING CANADIAN INVESTORS



UNITED ACCUMULATIVE FUND LTD.

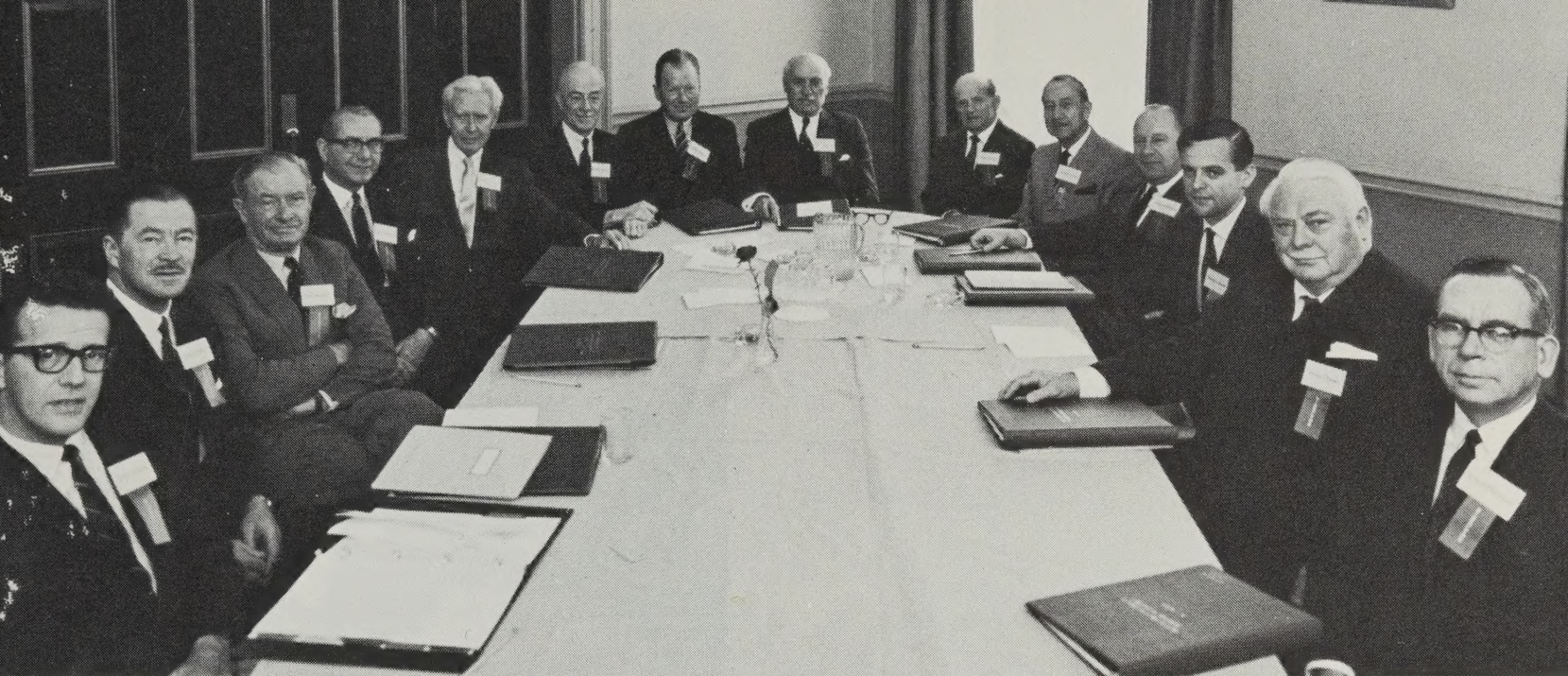
In the ten years since its founding in 1957, **United Accumulative Fund Ltd.** has become one of Canada's largest and fastest growing mutual funds. Today United has over 130,000 shareholders — more than any other Canadian mutual fund and second largest in number of any Canadian corporation — and net assets in excess of \$350,000,000.

United's primary objective is to help as many people as possible achieve financial independence through the long-term growth of capital. To accomplish this, the Fund invests in a broad cross-section of especially attractive securities which are carefully selected for their superior growth potential in the thriving North American economy. These securities are also widely diversified as to type of product and service as well as geographic location.

The Portfolio of the Fund is under the full-time supervision of **United Funds Management Ltd.**, a professional investment management organization with a proven record of success in managing investments totalling several hundred million dollars.

Shares of the Fund are distributed exclusively by **United Investment Services Ltd.**, with offices in most principal cities throughout Canada, and by **United Investment Services (Quebec) Ltd.** in the Province of Quebec.

If you receive an extra copy of this Report, would you please pass it on to someone you know who might be interested in your Fund. The cost of completely preventing duplicate mailings to those with two or more accounts would far exceed the cost of printing and mailing extra copies.



Fourteen of fifteen U.A.F. Directors were present at a Board meeting held in Vancouver last May. They are (left to right): Gordon E. Eddolls, Toronto, President, United Investment Services Ltd.; George H. Sellers, Winnipeg; Donald McInnis, Q.C., Halifax; Henry R. Jackman, Q.C., Toronto; Chauncey L. Waddell, New York; Maurice Déry, Q.C., Montreal; John M. Godfrey, Q.C., Toronto, President, United Accumulative Fund Ltd.; Alex McD. McBain, Toronto, Chairman, United Accumulative Fund Ltd.; Walter C. Koerner, Vancouver; J. M. Richard Corbet, Toronto; Jacques de Billy, Q.C., Quebec; Rodney S. C. Donald, Toronto, President, United Funds Management Ltd.; Horace J. Fraser, Toronto; and Graham M. MacLachlan, Toronto. Only Director unable to attend was Joe Jack Merriman, Kansas City.

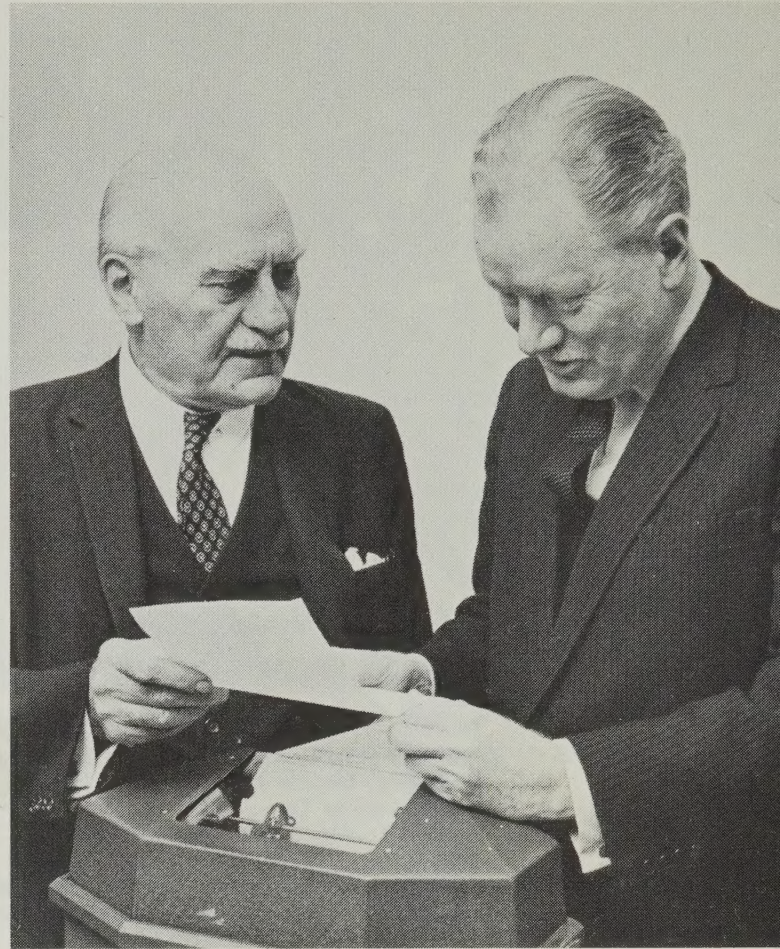
To The Shareholders:

The year of Canada's Centennial also marks the tenth anniversary of the founding of United Accumulative Fund Ltd., and it is a pleasure to report that your Fund's growth and investment performance have been strongly maintained: total net assets rose during the fiscal year by 50.4% to \$360,577,885, the number of shareholders increased by 16.1% to 138,502, and net asset value per share advanced by 37.0% to \$11.20.

In the ten years since your Fund began operations, the net asset value per share has risen from \$3.83 to \$11.20, and \$1.23 per share has been paid in dividends. An investor who has held his shares and reinvested all dividends since your Fund began operation now has a total gain, after deducting all expenses other than personal income tax, of 223.3% on his original investment, as is illustrated further on in this Report.

The completion of a decade of operations offers a good opportunity to review the services which United Accumulative Fund Ltd. is intended to provide to its shareholders and the means by which your management seeks to make these services available. Your Fund was established in the belief that Canadians would

On February 21 of this year, Alex. McD. McBain (left), who had served as President of United Accumulative Fund Ltd. since its inception, was named Chairman of the Board. Succeeding him as President is John M. Godfrey, Q.C., a prominent Toronto lawyer who had previously served as Vice-President and Director during the ten years that the Fund has been in operation.



find a well-selected, broadly diversified and professionally managed portfolio of common stocks an attractive and profitable long-term investment and an effective means of protection against the damage which inflation inflicts on the real value of savings held in fixed-dollar forms. How far this belief has been justified in practice during the first decade of its existence is illustrated by the chart which follows, entitled "Fund Performance and Living Costs." While inflation has over this ten year period wiped out 18.1% of the purchasing power of the dollar, the net asset value of each share of your Fund still has risen by 157.6%, even after allowing for the effect of inflation.

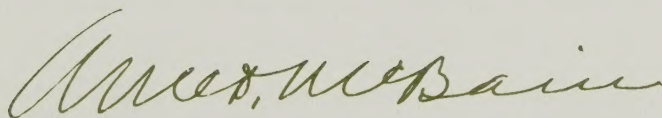
The same chart also illustrates the results to date of your management's continuing efforts to select the securities judged most likely to perform well. The 192.4% increase in the value of a Fund share since 1957 compares with an increase of 91.9% for the Toronto Stock Exchange Industrial Index and 127.6% for the Standard and Poor Index of 425 stocks over the same period.

The day-to-day work of managing your Fund's portfolio is the responsibility of the team of analysts and consultants of United Funds Management Ltd. It involves a continuing program of statistical analysis, collection of information, and direct contact with the managements of companies that are of particular investment interest. The members of your Board of Directors, who possess extensive knowledge of business conditions in Canada and abroad, are kept continuously

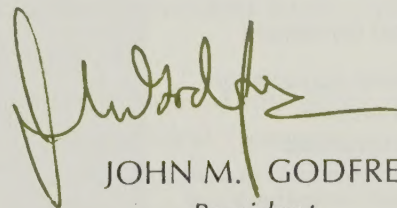
informed of all Fund transactions, and review policy and investments at Board meetings. We believe that this method of operation has proven itself flexible and effective in a field of action where speed and decisiveness are essential.

Your Fund began its operations in October 1957 in an atmosphere of investor concern over the sharp stock market and business declines of that year. Today, when concern is frequently expressed over such current problems as Vietnam, inflation, and profit margins, it is well to remember that the decision taken in 1957 to invest in common stocks has been justified in spite of all the recessions and international crises of the past ten years. The economies of Canada and the United States are today considerably stronger than they were ten years ago, and they offer a much greater variety of investment opportunities. In view of these and other indicators that augur well for the North American economy in the years ahead, your Fund's management is confident that emphasis on common stocks will continue to be justified in the next ten years also.

Respectfully submitted,



ALEX. McD. McBAIN
Chairman of the Board

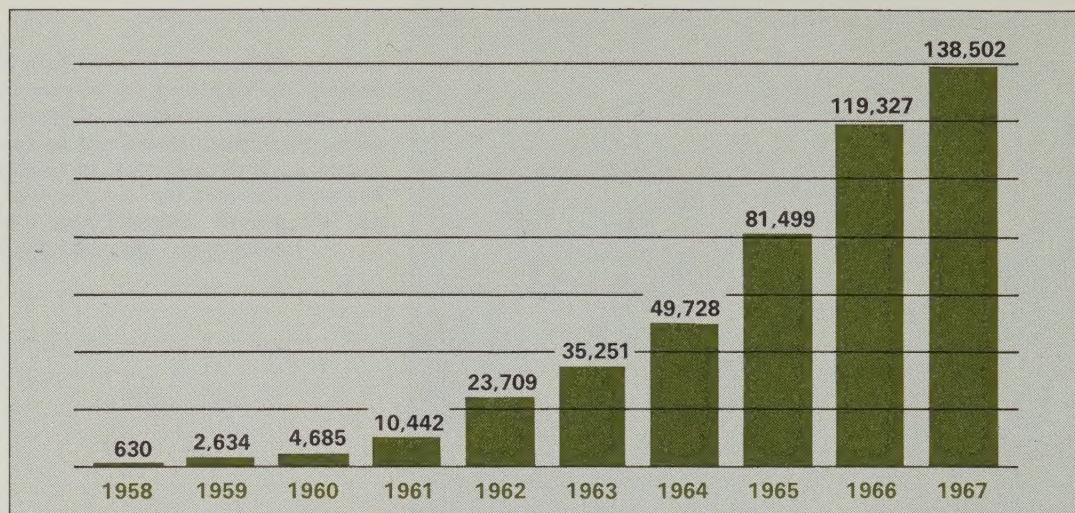


JOHN M. GODFREY
President

Toronto, Ontario
September 30, 1967

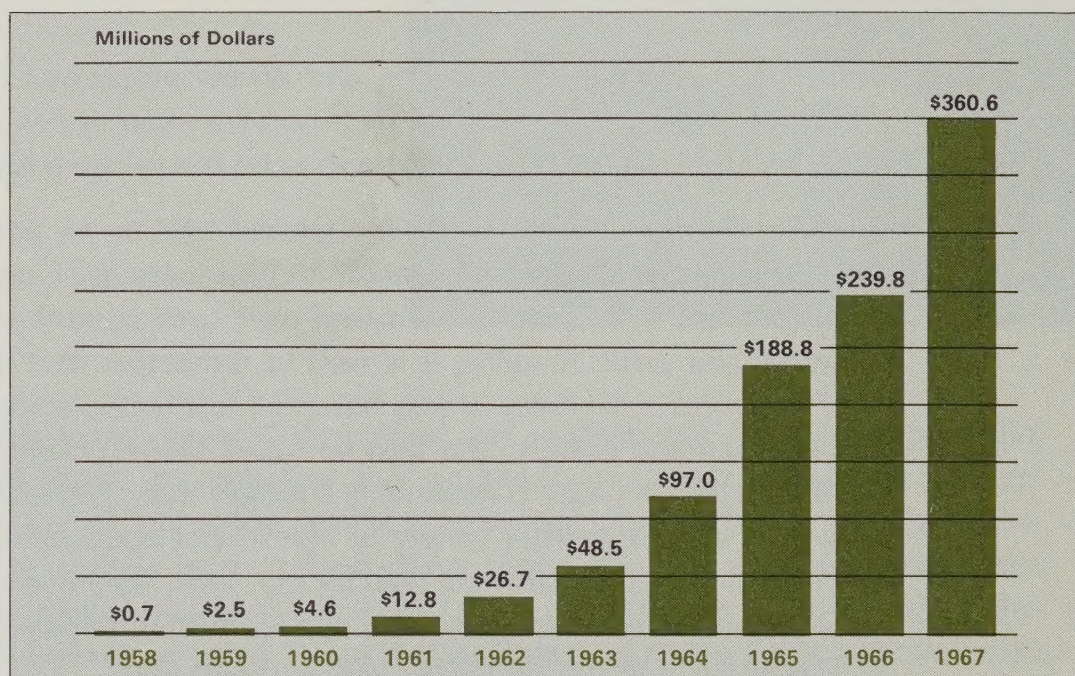
SHAREHOLDERS

SEPTEMBER 30TH



TOTAL NET ASSETS

SEPTEMBER 30TH

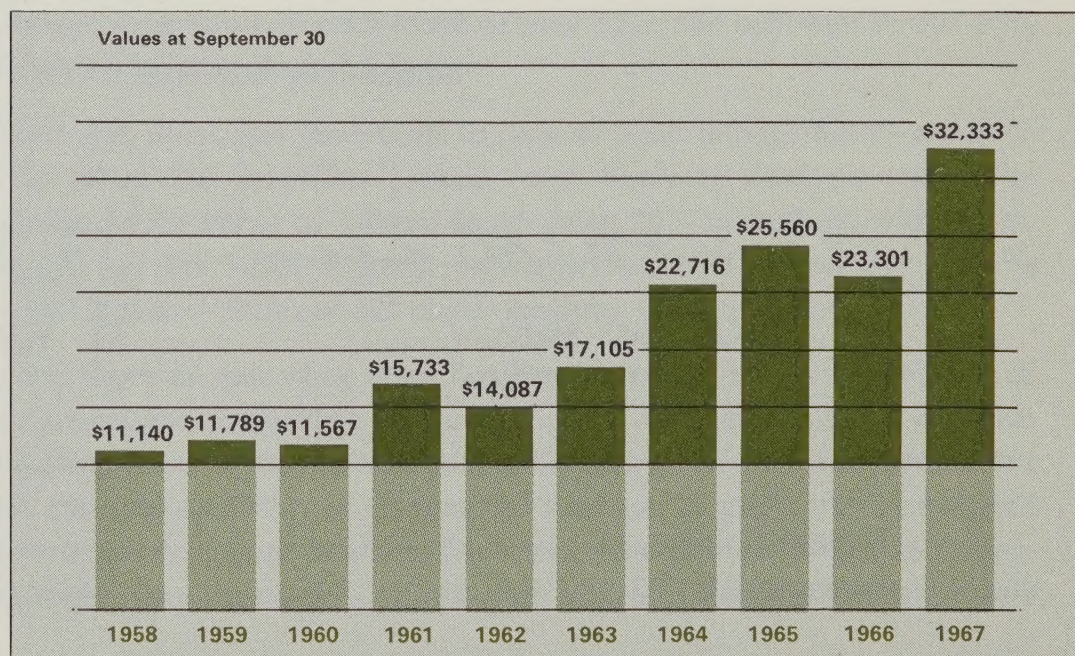


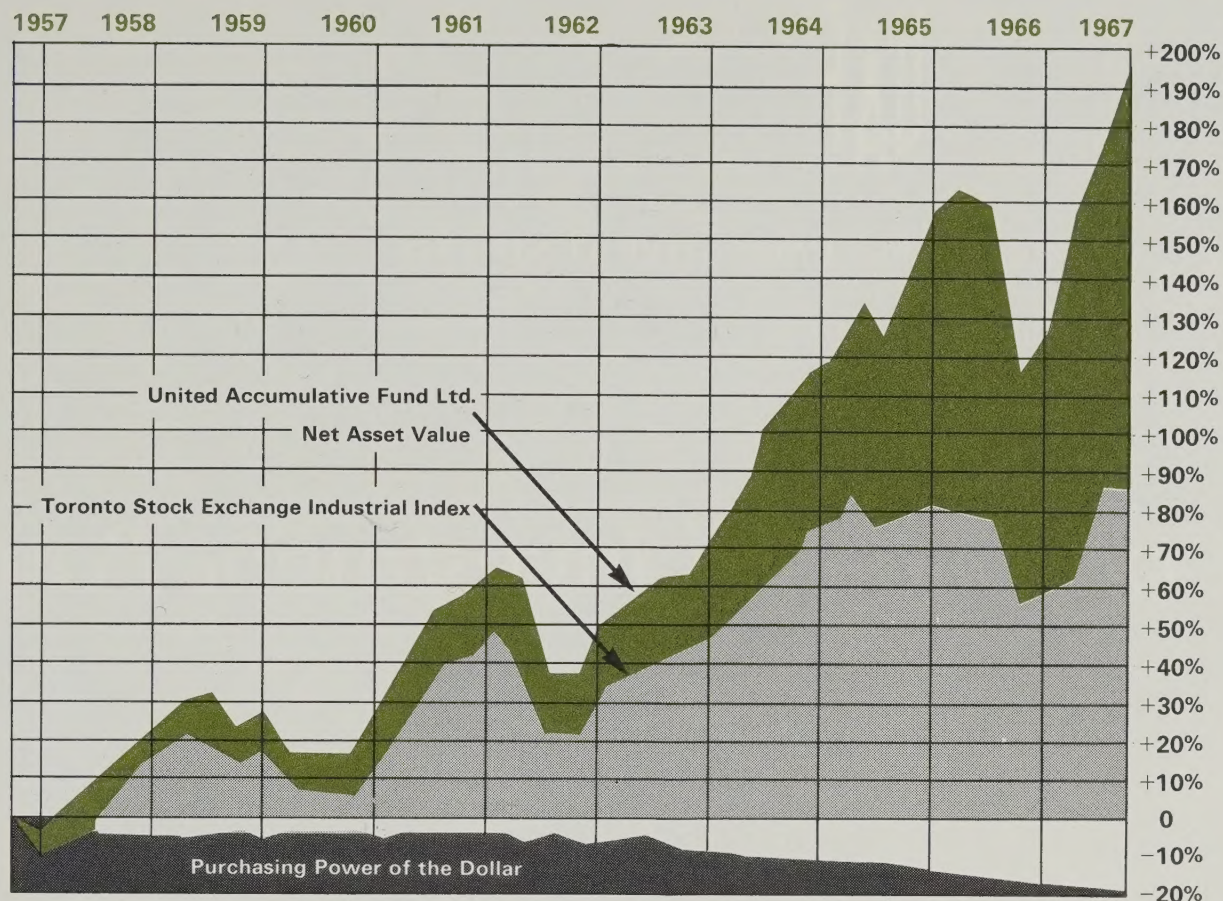
INVESTMENT PERFORMANCE

1957-1967

- Initial Investment
- Capital Appreciation and Income Compounded

This chart shows the record of a \$10,000 investment in United Accumulative Fund Ltd. from its inception to September 30, 1967, a period of 10 years, with reinvestment of dividends, after allowing for initial sales charge and for management fees.





Fund Performance and Living Costs

This chart shows the results that professional investment management has achieved for United shareholders during the first ten years that your Fund has been in operation.

The top line represents the course of the net asset value per share of United Accumulative Fund Ltd. from its inception on October 1st, 1957, to September 30, 1967. During this ten year period your Fund's net asset value increased by 192.2%

The middle line shows the course of a representative sampling of Canadian common stock prices over the same period, as measured by the Toronto Stock Exchange Industrial Index. The difference between the gain in your Fund's net asset value and the 91.9% gain in the Index indicates how much Fund shareholders have benefitted from professional supervision of their holdings during these ten years.

The bottom line shows what has happened to the purchasing power of the dollar over the same period, as measured by the Dominion Bureau of Statistics' Consumer Price Index. This indicates that in the past ten years the dollar's purchasing power has declined by 18.1%; or expressed in another way that the cost of living has risen by 22.1%.

What these comparisons clearly show is that while rising common stock values have more than kept up with the increased cost of living, United Accumulative Fund Ltd. has outperformed the upward market trend by a considerable margin. Even when adjusted for the decline in the purchasing power of the dollar, the net asset value of United Accumulative Fund shares still shows a gain of 157.6%. In other words, your Fund has much more than protected its shareholders from the erosion of the dollar's value over the past ten years.



UNITED ACCUMULATIVE FUND LTD.

Consolidated Investment Portfolio

SEPTEMBER 30, 1967

COMMON STOCKS:

	Number of Shares	Market Value	Percent of Net Assets
Aerospace: 6.19%			
Beech Aircraft	25,000	\$ 1,258,301	.35%
Boeing	92,300	8,597,543	2.38
General Dynamics	50,000	3,335,336	.93
McDonnell-Douglas	100,000	4,885,563	1.36
Piper Aircraft	25,000	1,489,828	.41
United Aircraft	30,000	2,730,009	.76
United Aircraft-rights (a)	30,000	8,053	—
		<u>22,304,633</u>	<u>6.19</u>
Air Transportation: 4.58%			
Deutsche Lufthansa (a)	39,500	2,234,748	.62
Eastern Air Lines	122,800	7,169,697	1.99
Emery Air Freight	8,200	739,599	.20
National Airlines	24,000	2,261,317	.63
Northwest Airlines	14,500	1,720,416	.48
Wardair Canada (a) (b)	40,000	220,000	.06
Western Air Lines	40,000	2,185,081	.60
		<u>16,530,858</u>	<u>4.58</u>
Automobiles: 1.73%			
American Motors (a)	32,500	506,005	.14
Chrysler	100,000	5,717,719	1.59
		<u>6,223,724</u>	<u>1.73</u>
Banks and Finance: .37%			
Bank of British Columbia (a) (b)	6,000	148,500	.04
Bank of Montreal	12,650	166,031	.05
Bank of Nova Scotia	12,500	175,000	.05
Banque Canadienne Nationale	17,500	199,063	.05
Banque Provinciale du Canada	12,500	117,188	.03
Canadian Imperial Bank of Commerce	12,500	165,625	.04
Royal Bank of Canada	12,500	203,125	.06
Toronto-Dominion Bank	12,500	168,750	.05
		<u>1,343,282</u>	<u>.37</u>
Business Machines and Forms: 17.86%			
Burroughs	35,000	6,313,650	1.75
Control Data (a)	42,500	6,297,544	1.75
International Business Machines	53,300	31,376,827	8.70
Moore Corporation	124,000	4,138,500	1.15
Rank Organisation	181,400	1,225,155	.34
Rank Organisation "A"	463,000	3,127,050	.87
S.C.M.	49,069	3,062,481	.85
Scientific Data Systems (a)	52,500	6,454,580	1.79
Xerox	8,000	2,385,872	.66
		<u>64,381,659</u>	<u>17.86</u>

COMMON STOCKS (Cont'd.)

	Number of Shares	Market Value	Percent of Net Assets
Chemicals: 1.31%			
Canadian Industries	140,000	\$ 2,467,500	.68%
Chemcell	80,000	850,000	.24
Ethyl Corporation	30,000	1,405,270	.39
		<u>4,722,770</u>	<u>1.31</u>
Communications and Entertainment: 1.77%			
Columbia Broadcasting System	47,900	3,265,972	.91
Walt Disney Productions	16,100	1,728,737	.48
Western Broadcasting	85,000	1,381,250	.38
		<u>6,375,959</u>	<u>1.77</u>
Diversified Companies: 6.56%			
Allied Products	37,300	2,287,907	.63
Anthes Imperial "A"	138,450	4,240,031	1.18
Colt Industries (a)	57,300	3,630,027	1.01
Dover Corporation	30,000	1,892,484	.52
Gulf & Western Industries (b)	78,805	3,697,758	1.03
Textron	90,000	4,457,405	1.24
Walter Kidde (a)	52,900	3,436,483	.95
		<u>23,642,095</u>	<u>6.56</u>
Electronics: 1.76%			
Fairchild Camera & Instrument	6,100	607,501	.17
Magna Electronics	30,000	517,500	.14
Memorex (a) (b)	18,200	4,172,270	1.16
Texas Instruments	8,000	1,044,759	.29
		<u>6,342,030</u>	<u>1.76</u>
Food and Merchandising: 6.68%			
Iowa Beef Packers (a) (b)	19,600	952,309	.27
Melville Shoe	30,000	2,500,495	.69
Metropolitan Stores of Canada (a)	32,000	968,000	.27
Oshawa Wholesale "A"	260,000	12,772,500	3.54
Shop & Save (1957)	50,800	742,950	.21
Steinberg's "A"	137,400	2,713,650	.75
Stokely-Van-Camp	26,000	1,486,607	.41
United Fruit	35,000	1,954,225	.54
		<u>24,090,736</u>	<u>6.68</u>
Forest Products: 1.22%			
Evans Products	60,000	2,117,972	.59
MacMillan Bloedel	75,000	2,118,750	.59
Rolland Paper "A"	15,000	144,375	.04
		<u>4,381,097</u>	<u>1.22</u>

COMMON STOCKS (Cont'd.)

	Number of Shares	Market Value	Percent of Net Assets
Metals and Mining: 11.98%			
Advocate Mines (a)	67,500	\$ 172,125	.05%
Canadian British Aluminium "A" (a)	100,000	1,787,500	.50
Denison Mines	113,900	9,510,650	2.64
Falconbridge Nickel Mines	68,000	6,171,000	1.71
Harvey Aluminum "A"	100,000	5,771,406	1.60
International Nickel Company of Canada ..	51,230	5,865,835	1.63
Labrador Mining and Exploration	70,500	2,317,688	.64
Leitch Gold Mines	51,000	408,000	.11
Noranda Mines	100,000	5,525,000	1.53
Placer Development	100,000	3,300,000	.91
U.S. Smelting, Refining & Mining	35,600	2,369,981	.66
		<u>43,199,185</u>	<u>11.98</u>
Petroleum: 5.82%			
Home Oil "A"	145,410	3,435,311	.95
Home Oil "B"	38,000	950,000	.26
Imperial Oil	30,000	1,976,250	.55
Marathon Oil	40,000	3,156,825	.88
Royal Dutch Petroleum	65,000	2,805,372	.78
United Gas	100,000	8,670,531	2.40
		<u>20,994,289</u>	<u>5.82</u>
Photography: 5.61%			
Berkey Photo (a)	83,455	3,898,027	1.08
Polaroid	50,000	10,818,031	3.00
Technicolor	200,000	5,529,813	1.53
		<u>20,245,871</u>	<u>5.61</u>
Pipelines: 2.70%			
Alberta Gas Trunk Line "A"	135,000	4,792,500	1.33
Westcoast Transmission	140,600	3,515,000	.97
Western Pacific Products and Crude Oil Pipelines	204,200	1,429,400	.40
		<u>9,736,900</u>	<u>2.70</u>
Public Utilities: 4.87%			
Consumers' Gas	220,000	4,565,000	1.27
Northern & Central Gas	847,000	11,011,000	3.05
Union Gas Company of Canada	132,900	1,993,500	.55
		<u>17,569,500</u>	<u>4.87</u>
Publishing: 2.20%			
Maclean-Hunter Publishing	28,650	1,661,700	.46
Thomson Newspapers	160,700	6,267,300	1.74
		<u>7,929,000</u>	<u>2.20</u>

COMMON STOCKS (Cont'd.)

	Number of Shares	Market Value	Percent of Net Assets
Railroads: 2.25%			
Canadian Pacific Railway	40,515	\$ 2,547,381	.71%
Chicago & North Western Railway	10,000	1,489,828	.41
New York Central Railroad	50,000	4,073,539	1.13
		<u>8,110,748</u>	<u>2.25</u>
Steel: 2.23%			
Dominion Foundaries and Steel	36,200	859,750	.24
Finsider warrants (a) (b)	240,000	19,328	—
Kaiser Steel (b)	26,000	1,996,101	.55
Republic Steel	65,100	3,381,467	.94
Sharon Steel	47,000	1,797,860	.50
		<u>8,054,506</u>	<u>2.23</u>
Textiles and Apparel: 1.44%			
Dominion Textile	89,500	1,980,188	.55
Harding Carpets "A"	108,000	1,404,000	.39
Jonathan Logan	30,000	1,795,847	.50
		<u>5,180,035</u>	<u>1.44</u>
Miscellaneous: 4.75%			
Corning Glass Works	3,000	1,101,668	.31
Distillers Corporation-Seagrams	62,150	2,423,850	.67
Markborough Properties (a)	250,000	1,312,500	.37
Markborough Properties-warrants (a)	62,500	150,000	.04
McLean Industries "A" (a) (b)	68,000	2,391,241	.66
P. Lorillard	45,500	2,461,103	.68
Rayette-Faberge	19,200	1,211,190	.34
Robert Morse "A"	40,700	1,119,250	.31
Standard Pressed Steel	25,400	1,840,944	.51
Versatile Manufacturing "A"	110,000	1,595,000	.44
Other securities (d)	69,625	1,523,722	.42
		<u>17,130,468</u>	<u>4.75</u>
TOTAL COMMON STOCKS: 93.88%		<u>338,489,345</u>	<u>93.88</u>
CONVERTIBLE PREFERRED STOCKS: .28%			
Columbia Cellulose \$1.20	27,900	411,525	.11
Robert Morse 5 1/2% "A"	10,000	610,000	.17
		<u>1,021,525</u>	<u>.28</u>

CONVERTIBLE DEBENTURES: 2.56%	Par Value	Market Value	Percent of Net Assets
Berkey Photo			
5 3/4%, September 1, 1986 (b)	US \$ 625,000	\$ 952,953	.26%
Gulf & Western Industries			
5 1/4%, July 1, 1987 (b)	US \$2,500,000	3,489,688	.97
Home Oil			
5 1/2%, December 1, 1984 (b)	\$ 225,000	273,375	.08
Oshawa Wholesale			
5 1/2%, November 15, 1986 (b)	\$1,000,000	1,745,000	.48
Rank Organisation			
6%, December 31, 1988	£ 366,000	1,406,009	.39
Rank Organisation			
6 1/2%, December 31, 1993	£ 40,000	129,146	.03
Takeda Chemical Industries			
6%, March 31, 1984 (b)	US \$ 895,000	792,830	.22
Wardair Canada			
6 1/2%, September 15, 1982 (b)	\$ 400,000	460,000	.13
		<u>9,249,001</u>	<u>2.56</u>
SHORT TERM CORPORATE NOTES: (b) 2.55%			
Bank of Nova Scotia			
4.23%, October 2, 1967	\$3,500,000	3,500,000	.97
Bank of Nova Scotia			
4.129%, October 2, 1967	US \$2,500,000	2,684,375	.75
Industrial Acceptance			
6 1/4%, July 26, 1968	\$1,000,000	1,000,000	.28
Pacific Finance			
7.15%, December 22, 1967	\$2,000,000	2,000,000	.55
		<u>9,184,375</u>	<u>2.55</u>
TOTAL MARKET VALUE OF PORTFOLIO		<u><u>\$357,944,246</u></u>	<u><u>99.27%</u></u>

Notes:

- (a) Securities on which no dividends/interest were paid during the preceding twelve months.
- (b) Securities for which the market value is based on closing over-the-counter prices. The market value for all other securities set forth above is based on the closing price on September 29, 1967, reported by the principal security exchange on which the issue is traded or, if there was no sale during that day at the average of the closing bid and asked prices, except for 78,805 shares of Gulf & Western Industries.
- (c) Closing prices for foreign securities have been converted into Canadian funds at the closing rate of exchange at September 29, 1967.
- (d) Other securities include various new holdings where the initial position has not been completed.

UNITED ACCUMULATIVE FUND LTD.

(Incorporated under the laws of Canada)

Consolidated Assets and Liabilities

September 30, 1967

ASSETS:

Investment securities at market value (average cost \$280,471,479) ..		\$357,944,246
(See accompanying schedule)		
Cash		5,705,040
Accounts receivable:		
Investment securities sold	2,157,620	
Shares sold	799,235	2,956,855
		<hr/>
Dividends and accrued interest receivable		667,184
		<hr/>
		367,273,325

LIABILITIES:

Accounts payable:		
Investment securities purchased	5,246,862	
Shares redeemed	700,700	
Other	230,594	
Income taxes payable	517,284	6,695,440
		<hr/>
Net assets applicable to 32,193,648 common shares outstanding		
equivalent to \$11.20 per share		<u>\$360,577,885</u>

Capital Shares and Consolidated Surplus

September 30, 1967

CAPITAL SHARES (Note 1):

Authorized —		
1,000 deferred shares of \$1.00 par value each		
80,000,000 common shares (less 8,167,120 shares		
redeemed and cancelled) of \$1.00 par value each		
Outstanding —		
32,193,648 common shares		\$ 32,193,648

SURPLUS:

Paid-in surplus	231,020,131	
Undistributed net income	31,198	
Accumulated realized gain on sale of investments	19,860,141	250,911,470
		<hr/>
Total capital shares and surplus		283,105,118
Unrealized appreciation of investments		77,472,767
		<hr/>
		<u>\$360,577,885</u>

On behalf of the Board: *Alex McD. McBain*, Director
Rodney S. C. Donald, Director

See accompanying notes

Statement of Consolidated Income and Expense

for the year ended September 30, 1967

INCOME:

Dividends	\$5,812,366
Interest	1,400,861
	<u>7,213,227</u>

EXPENSE:

Management fees (Note 2)	1,515,188	
Postage and printing	107,622	
Custodian fees	56,964	
Directors' fees	37,629	
Legal and audit	22,234	
Other expenses	15,350	
Transfer agents' fees	11,580	1,766,567
Net income before taxes		5,446,660
Income taxes		1,073,000
Net income		<u>\$4,373,660</u>

Statement of Per-share Income and Capital Changes

(for a share outstanding throughout the year)

For the ten years ended September 30, 1967

Year ended Sept. 30	Net asset value at beginning of year	INCOME					CAPITAL	Net asset value at end of year
		Dividends and interest from investments	Expense	Income Taxes	Net Income	Dividends Paid	Net realized and unrealized gain (loss) on investments	
1958	\$3.83	\$.10	\$.02 1/6	\$.00 1/6	\$.07 2/3	\$.07 2/3	\$.73	\$4.56
1959	4.56	.11	.02 9/10	.00 1/10	.08	.08	.19	4.75
1960	4.75	.15	.04	.00 1/3	.10 2/3	.10 2/3	(.20)	4.55
1961	4.55	.15	.04	.00 1/3	.10 2/3	.10 2/3	1.53	6.08
1962	6.08	.15	.03 2/3	.00 1/3	.11	.11	(.74)	5.34
1963	5.34	.17	.03 4/5	.00 1/5	.13	.13	1.01	6.35
1964	6.35	.20	.04 1/2	.00 1/2	.15	.15	1.93	8.28
1965	8.28	.22	.04 1/2	.01	.16 1/2	.16 1/2	.86	9.14
1966	9.14	.23	.05	.01 1/2	.16 1/2	.16 1/2	(.96)	8.18
1967	8.18	.23	.05 1/2	.03 1/2	.14	.14	3.02	11.20
						<u>\$1.23</u>	<u>\$7.37</u>	

The figures shown above have been adjusted to give effect to a stock dividend on January 31, 1962 of 2 fully paid common shares of the capital stock of the Fund on each common share then outstanding. This stock dividend was equivalent to a three-for-one stock split.

See accompanying notes

UNITED ACCUMULATIVE FUND LTD.

(Incorporated under the laws of Canada)

Statement of Changes in Consolidated Net assets

for the year ended September 30, 1967

Net assets September 30, 1966, represented by:

Common shares	29,312,132	
Paid-in surplus	206,562,472	
Undistributed net income	71,829	
Accumulated realized gain on sale of investments	7,328,523	
Unrealized depreciation of investments	<u>(3,522,027)</u>	\$239,752,929

Changes during the year:

Income —

Net income for the year	4,373,660	
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Less:

Dividends paid —

7¢ per share on 31,085,778 common shares outstanding at March 22, 1967	2,176,004	
7¢ per share on 31,975,531 common shares outstanding at September 21, 1967	<u>2,238,287</u>	<u>4,414,291</u> (40,631)

Capital —

Proceeds from the sale of 6,806,948 shares (Note 1) ..	66,451,543	
Cost of 3,925,432 shares redeemed (Note 1)	<u>39,112,368</u>	27,339,175

Realized gain on sale of investments:

Proceeds from sales (excluding short term corporate note redemptions)	151,940,628	
Aggregate cost	<u>139,409,010</u>	12,531,618

Increase in unrealized appreciation of investments	<u>80,994,794</u>	<u>120,865,587</u>
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Net assets September 30, 1967, represented by:

Common shares	32,193,648	
Paid-in surplus	231,020,131	
Undistributed net income	31,198	
Accumulated realized gain on sale of investments	19,860,141	
Unrealized appreciation of investments	<u>77,472,767</u>	<u>\$360,577,885</u>

See accompanying notes

Auditors' Report

To the Shareholders of United Accumulative Fund Ltd.:

We have examined the consolidated financial statements, listed below, of United Accumulative Fund Ltd. and its wholly owned subsidiaries. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. Securities owned at September 30, 1967 were verified by confirmation received directly either from the custodian or from brokers in respect of securities purchased but not received.

In our opinion, the accompanying statements listed below present fairly the financial position and investment portfolio of the companies as at September 30, 1967, the results of their operations for the year then ended and the per share income and capital changes for the ten years then ended in accordance with generally accepted accounting principles applied on a consistent basis throughout the period.

Toronto, Canada,
October 17, 1967.

CLARKSON, GORDON & CO.
Chartered Accountants.

Consolidated financial statements covered by report of Chartered Accountants:

At September 30, 1967 –
Assets and liabilities
Capital shares and surplus
Investment portfolio

For the year ended September 30, 1967 –
Income and expense
Changes in net assets

For the ten years ended September 30, 1967 –
Per-share income and capital changes

Notes to Consolidated Financial Statements

September 30, 1967

1. The issue price of each common share of the company is an amount equal to the aggregate of the net asset value of each common share outstanding at the date of issue (received by the company) and the distributor's commission (retained by the distributor). During the year ended September 30, 1967, 6,806,948 shares were issued for cash aggregating \$66,451,543 of which \$6,806,948, equivalent to the par value of the shares sold, was allocated to share capital and the balance, \$59,644,595 to paid-in surplus. The common shares of the company are redeemable at their net asset value. During the year, the company redeemed 3,925,432 shares for an aggregate amount of \$39,112,368 of which \$3,925,432, equivalent to the par value of the shares redeemed, was allocated to share capital and \$35,186,936 to paid-in surplus.
2. Management fees payable to United Funds Management Ltd. have been computed on the basis of $\frac{1}{2}\%$ per annum of the average daily consolidated net assets. For these fees United Funds Management Ltd. supervises, manages and directs the investment of the assets of the Funds and recommends the securities to be purchased or sold. It also pays for office space, equipment and other expenses incidental to the operation of the Funds' office including the salaries of officers and of sufficient personnel to maintain the financial records and to carry out security transactions on behalf of the Funds.
3. The consolidated financial statements do not include comparative figures for the year ended September 30, 1966, as it is the company's view that these figures are not directly comparable due to continuous issuing of additional shares. It is the company's opinion that the statement of per-share income and capital changes provides a more informative measure of the company's progress over a longer period of time as it relates to the individual shareholder.



Immediately following the Board of Directors meeting in Vancouver last May, your U.A.F. Directors hosted a luncheon at the Georgia Hotel which was attended by more than 400 local businessmen, community leaders, Fund shareholders, and United representatives. In a panel discussion on "What's Ahead for Business" that followed the luncheon, Board members unanimously voiced their confidence in the continuing long-term growth of the North American economy.

Major Milestones in the First Ten Years of Growth of UNITED ACCUMULATIVE FUND LTD.

September 1957	United Accumulative Fund Ltd. established.
December 1957	At year end the new Fund had attracted 121 shareholders and showed net assets of \$189,376.
September 1958	First Annual Report showed 630 shareholders, \$658,176 in net assets, net asset value per share up 19% over initial offering price.
January 1959	Net assets reached \$1 million.
September 1961	The number of U.A.F. shareholders had grown to 10,000.
October 1963	Net assets rose to \$50 million.
October 1964	Net assets climbed to \$100 million; shareholders numbered 50,000.
November 1965	Net assets advanced to \$200 million.
March 1966	U.A.F. passed the 100,000 shareholder mark, making it Canada's largest mutual fund and second largest corporation in number of shareholders.
April 1966	Net assets exceeded \$250 million.
March 1967	U.A.F. tops \$300 million in total net assets.
September 1967	Tenth Annual Report shows 138,502 shareholders, \$360,577,885 in net assets and a gain of 223.3% on an original ten year investment.

UNITED ACCUMULATIVE FUND LTD.

44 King Street West, Toronto 1, Ontario

Directors	ALEX. McD. McBAIN	<i>Chairman of the Board</i>	Toronto
	JOHN M. GODFREY, Q.C.	<i>President</i>	Toronto
	RODNEY S. C. DONALD	<i>Executive Vice-President</i>	Toronto
	CHAUNCEY L. WADDELL	<i>Vice-President</i>	New York
	JACQUES de BILLY, Q.C.		Quebec
	J. M. RICHARD CORBET		Toronto
	MAURICE DÉSY, Q.C.		Montreal
	GORDON E. EDDOLLS		Toronto
	HORACE J. FRASER		Toronto
	HENRY R. JACKMAN, Q.C.		Toronto
	WALTER C. KOERNER		Vancouver
	GRAHAM M. MacLACHLAN		Toronto
	DONALD McINNES, Q.C.		Halifax
Other Officers	JOHN WM. GALBRAITH	<i>Vice-President</i>	
	RALPH HORNER	<i>Vice-President</i>	
	STANLEY R. ANDERSON	<i>Secretary</i>	
	WILLIAM ROY MILLER	<i>Treasurer</i>	
	EVELYN G. SCOTT	<i>Assistant Secretary</i>	
	GEORGE TIVILUK	<i>Assistant Secretary</i>	
	F. GARTH COLLINS	<i>Assistant Treasurer</i>	
	WILLIAM FERGUSON E. TUCKER	<i>Assistant Treasurer</i>	
	<i>Investment Manager</i>	UNITED FUNDS MANAGEMENT LTD.	Toronto
	<i>Legal Counsel</i>	CAMPBELL, GODFREY & LEWTAS	Toronto
Trustee for United Retirement Saving Plans	<i>Auditors</i>	CLARKSON, GORDON & CO.	Toronto
	<i>Exclusive Distributors</i>	UNITED INVESTMENT SERVICES LTD.	Toronto
		UNITED INVESTMENT SERVICES (QUEBEC) LTD.	Montreal
	<i>Bankers and Custodian</i>	THE BANK OF NOVA SCOTIA	Toronto
	<i>Transfer agent and registrar</i>	EASTERN & CHARTERED TRUST COMPANY	Toronto
			Montreal
			Halifax
			Winnipeg
			Vancouver
			and Calgary



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